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August 15, 2018

To: Supervisor Sheila Kuehl, Chair
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From: Sachi A. Hamai
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REPORT OF THE TENANT PROTECTIONS WORKING GROUP (ITEM NO. 6, AGENDA OF MAY 16, 2017)

On May 16, 2017, the Board of Supervisors (Board), adopted a Motion (Motion) by Supervisors Solis and Kuehl directing the Chief Executive Officer (CEO), in coordination with the Directors of the Departments of Regional Planning, Consumer and Business Affairs, Public Health, Public Works, Beaches and Harbors, the Executive Director of the Community Development Commission, the Assessor, and County Counsel to report to the Board with a Los Angeles County Tenant Protection Policy Development Framework (Framework). Further, upon submission of the Framework, the Motion directed the CEO to convene and provide technical support to a Tenant Protections Working Group (Working Group), with two members to be appointed by each Supervisor. Among its many responsibilities, the Working Group was to provide recommendations to the Board within 180 days of its first meeting on tenant protections that might be enacted for County unincorporated areas. The attached Report of the Tenant Protections Working Group (Report) represents the formal recommendations and conclusions of the Working Group.

MEETINGS OF THE WORKING GROUP

From January 24, 2018 through August 8, 2018, thirteen (13) public meetings of the Working Group were convened by the CEO and held at the County Hall of Administration. The majority of these meetings were moderated by a professional facilitator who ensured participation by each member, managed the timing of agenda topics, and documented discussion and voting by members. Outside legal counsel with expertise in tenant protections and rent stabilization policies was also retained by the County, and provided a comprehensive legal framework and a range of tenant

protection measures for the consideration of the Working Group. County departments and other subject matter experts presented statistical data on County unincorporated areas and detailed information regarding best practices from other jurisdictions. Finally, beginning in March 2018, formal translation services were made available to the public during each of the meetings.

The Working Group's process was further enhanced by the many members of the public, and the non-profit and business organizations representing County unincorporated areas, who were diligent about attending the Working Group meetings and sharing their perspectives during the public comment portion of each meeting. At its June 13, 2018 meeting, the Working Group extended its regular public comment period to include one hour of formal and coordinated presentations by landlord and tenant groups, followed by questions from the Working Group. In total, more than sixty (60) members of the public were given the opportunity to address the Working Group during its thirteen (13) meetings.

At the final two meetings of the Working Group on July 25, 2018, and August 8, 2018, formal votes were conducted on specific recommendations related to tenant protections and rent stabilization. The attached Report includes the recommendations approved by a majority of the Working Group at these two meetings. The Report itself was approved without opposition as accurately reflecting the discussions and sentiments of the Working Group.

SUMMARY OF WORKING GROUP RECOMMENDATIONS

The recommendations contained in the attached Report build upon the previously submitted Framework, and focus on four key tenant protection policy areas: a) regulating rent increases; b) regulating evictions; c) additional laws, regulations, and assistance programs; and d) implementation mechanisms. More specifically, the Working Group recommends that the Board adopt the following policies for the unincorporated areas of the County:

- a) A rent stabilization program for applicable tenants that would limit the maximum allowable rent increase effective each year for covered rental units.
- b) "Just Cause" eviction requirements that would apply to all tenants in County unincorporated areas, regardless of unit type, ownership type, or coverage under a rent stabilization program.
- c) Implement programs to address issues involving potential harassment, discrimination, housing conditions and habitability, and financial assistance for certain tenants.

- d) Funding mechanisms for ongoing oversight and enforcement that would be shared by tenants and landlords, and that would be cost-neutral to the County General Fund.

In addition, as new programs are implemented, the Working Group recommends a significant outreach and education program for both tenants and landlords to increase awareness of the rights and responsibilities related to rental housing.

CONCLUSION

The Working Group developed its Report through an open and public process that spanned more than six months and included approximately thirty (30) hours of public meetings. The recommendations contained in the Report reflect a broad range of tenant protection measures that seek to address issues such as affordability and housing stability for eligible renters in the County unincorporated areas.

If you have any questions regarding this memorandum or the attached Report, please contact Doug Baron at (213) 974-8355 or via email at dbaron@ceo.lacounty.gov.

SAH:JJ:DSB
VD:acn

Attachment

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County Counsel
Assessor
Beaches and Harbors
Community Development Commission
Consumer and Business Affairs
Health Agency
Public Health
Public Works
Regional Planning



Report of the Los Angeles County Tenant Protections Working Group

August 15, 2018

TENANT PROTECTIONS WORKING GROUP

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I. EXECUTIVE SUMMARY

Recognizing the increasing cost of housing and its impact on housing stability, the Tenant Protections Working Group (Working Group) was formed in response to a May 16, 2017 Motion adopted unanimously by the Los Angeles County Board of Supervisors (Board). The Motion was introduced by Supervisors Hilda L. Solis and Sheila Kuehl, and instructed the County Chief Executive Officer to develop a Tenant Protections Policy Development Framework and convene the Working Group. More specifically, the Motion directed that the Working Group include two members appointed by each County Supervisor and report back to the Board within 180 days with recommendations for tenant protections that might be enacted in the unincorporated areas. The first meeting of the Working Group took place on January 24, 2018.

The Working Group submits its report back to the Board in response to the Board's directive to propose a policy implementation framework for a program to enhance the County's tenant protections. The report is presented in four sections that cover the following areas:

- Background and Policy Framework
- Process to Develop Working Group Recommendations
- Working Group Recommendations
- Next Steps

The report first introduces the issues to be considered when contemplating a tenant protections program, and establishes the foundation for a policy framework. The report then discusses the process by which the Working Group formed its recommendations, as well as the recommendations themselves and next steps for the County to consider. Finally, the report provides an appendix of statistical information related to rental housing in the County unincorporated areas.

From January 2018 through August 2018, the Working Group met on a bi-monthly basis, guided by a professional facilitator and outside legal counsel with expertise in tenant protections and rent stabilization policies. Following the Board's May 16, 2017 Motion, the Working Group discussed key policy areas and developed recommendations for the following areas; A) regulating rent increases; B) regulating evictions; C) additional laws, regulations, and assistance programs; and D) implementation mechanisms.

Following months of discussion, votes on specific recommendations were held at two separate meetings of the Working Group: July 25, 2018 and August 8, 2018. Because not every Working Group member attended both meetings, by a vote of eight (8) in favor, none opposed, zero abstentions, and two (2) absent, the Working Group voted on August 8, 2018 to combine the vote tally from the two meetings, wherever applicable, and approve this Report as accurately reflecting the discussions and sentiments of the Working Group.

The specific recommendations as voted on by the Working Group are as follows:

A. Regulating Rent Increases

Rental units in unincorporated Los Angeles County are currently not subject to local regulation. The Working Group recommends by a vote of seven (7) in favor, two (2) opposed, and one (1) abstention¹ that the County adopt rent stabilization for applicable rental units in unincorporated Los Angeles County. The units recommended to be exempted from the proposed rent stabilization are discussed in Appendix A of this Report. Specifically, the Working Group recommends the following:

¹ One of the Working Group members was unable to attend sufficient meetings to have a basis to form a substantive position and chose to abstain from voting. Accordingly, a majority of the vote tallies in this Report include at least one abstention.

- Rent Increases for Covered Rental Units. By a vote of seven (7) in favor, one (1) opposed, and two (2) abstentions, the Working Group recommends one rent increase for Covered Rental Units per 12-month period. The maximum pre-approved rent increase shall equal the lower of the increase in the Consumer Price index (CPI) or eight percent (8%). The minimum pre-approved annual rent increase shall equal the lesser of three percent (3%) or the CPI change year over year plus two percent (2%), but shall never be less than zero (e.g., if the annual change in CPI were 0.5%, then the minimum pre-approved annual rent increase would equal 2.5%; if the annual change in CPI were negative 3% or lower, then there would be zero pre-approved annual rent increase).
- Banking Unused Rent Increases. By a vote of six (6) in favor, three (3) opposed, and one (1) abstention, the Working Group recommends that the County prohibit "rent-banking," meaning that if a landlord does not increase rent up to the maximum allowable rent, the difference cannot be applied for rent increases in future years.
- Landlord Petitions. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends a petition process to allow landlords to petition for rent increases above the maximum rent should the landlord be able to show he or she is not making a fair return on his or her investment. In addition, by a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group recommends that landlords be allowed to petition to pass through capital improvement costs to tenants over and above the maximum rent. No rent increase, whether through the fair return petition or the pass-through process, may exceed ten percent (10%) in a given year.

- Tenant Petitions. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends that tenants be allowed to file a petition for a rent decrease in the event of a reduction of housing services.
- Mediation. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group recommends that the County provide a voluntary mediation process for landlords and tenants.
- Rent Registration. By a vote of six (6) in favor, three (3) opposed, and one (1) abstention, the Working Group recommends that all Covered Rental Units be registered with a County oversight body. The Working Group recommended that the registry track the maximum allowable rent for each Covered Rental Unit, and that landlords and tenants would be required to register the rent at the beginning of each new tenancy.
- Interplay with Costa-Hawkins. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends that should the Costa-Hawkins Act be repealed, the Board reconvene the Working Group for further discussion and recommendations as to a regulatory response.

B. Regulating Evictions

California State law does not limit the reasons for which a tenancy may be terminated, if minimum notice requirements are followed. The Working Group reached agreement regarding the adoption of "Just Cause" eviction requirements, which would limit the reasons a landlord can terminate a tenancy. The Working Group recommends that every notice of termination of a residential tenancy in unincorporated Los Angeles County be required to expressly identify at least one reason for which the tenancy is being terminated. Specific recommendations are as follows:

- Applicability. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends that Just Cause for Eviction protections, as specified and defined below, should apply to all residential rental units in unincorporated Los Angeles County including single family homes, accessory dwelling units, and rental units in multi-family buildings. The Working Group recommends that Just Cause for Eviction protections should apply regardless of whether the County chooses to adopt a larger rent stabilization policy.
- "For Cause" Terminations. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends that "For Cause" terminations follow those outlined in State law as based on the conduct of the tenant household.
- "No Fault" Terminations. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends that the County add two "No Fault" reasons for terminating a tenancy: owner move-ins, and going out of the rental business and withdrawing a property from the rental market as provided under the Ellis Act.
- Additional Eviction Limitations. By a vote of seven (7) in favor, two (2) opposed, and one (1) abstention, the Working Group recommends landlords not be permitted to evict solely on the basis of a change in ownership by sale or foreclosure or during the academic school year when the rental unit is the primary residence of a school age child.
- Enhanced Noticing Requirements. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group recommends that any termination of tenancy notice include information related to the County's Just Cause for Eviction policies, and tenants' rights information in both English and the tenant's primary language.

- Relocation Assistance. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group recommends that in No-Fault evictions the landlord should be required to pay relocation assistance to the terminated tenant household except for qualifying owner move-ins for rental units that are not subject to the recommended rent stabilization program.
- Right of Return. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends that the County require landlords to offer a first right of return to all tenants subject to a No-Fault termination to the full extent permitted under the Ellis Act except for qualifying owner move-ins for rental units that are not subject to the recommended rent stabilization program.

C. Additional Laws, Regulations and Assistance Programs

The Working Group recommends programs to address potential harassment, discrimination, housing conditions and habitability, and assistance for tenants.

- Habitability. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends the County implement a complaint-based inspection program, a rent escrow account program, a tenant habitability program, and engage in systemic code enforcement practices, each modeled after the City of Los Angeles' programs to ensure habitability of units. Further, the Working Group recommends that if a landlord must perform substantial rehabilitation of a unit, that relocation assistance and right to return for tenants is required.
- Anti-Harassment, Anti-Discrimination. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group recommends the County adopt an ordinance prohibiting landlords from refusing to rent to a tenant solely on the basis of being a Section

8 voucher holder, or solely because of the tenant's participation in other similar federal, state or local rent assistance programs.

D. Implementation Mechanisms

The Working Group evaluated the options for implementing a tenant protections program, and ongoing oversight of the program such that County staff and administrative resources would be required. The Working Group recommends an oversight board and a dedicated funding source to administer the program. The Working Group recommends that the cost of such an administrative structure be shared between landlords and tenants.

- Oversight Board. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends the Board of Supervisors appoint an oversight board to hear petitions from landlords and tenants. The Working Group recommends the oversight board include both landlord and tenant representation.
- Administrative Fees. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group recommends the County assess an annual fee to landlords for each unit covered by the rent stabilization program. Up to fifty percent (50%) of the fee can be passed through to tenants over and above their maximum allowable rent.
- Education and Outreach. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends a dedicated multi-lingual outreach program to educate landlords and tenants about their rights and responsibilities.

The Working Group submits the following report regarding the policy framework and range of options to implement County tenant protections for Board consideration. Should the Board choose to adopt a tenant protections program, the Working Group is available for

consultation on the administrative framework for such a program, as well as any policy discussions as needed.

II. BACKGROUND AND POLICY FRAMEWORK

The Los Angeles County Board of Supervisors (Board) adopted a motion on May 16, 2017 that acknowledged the impacts of market pressures, such as increasing real estate costs on the affordability and stability of the housing stock in unincorporated Los Angeles County. The motion recognized that the Board has committed significant funding to new affordable housing production and services for individuals experiencing homelessness, but that further action may be warranted to maintain diverse, stable neighborhoods in the interest of public health and welfare.

The potential tenant protection policies that the County may enact to support County residents are shaped by state and federal law. The "Tenant Protections Policy Development Framework" published by the County of Los Angeles Chief Executive Office in September 2017 reviews the policy framework created by state and federal law, and briefly summarizes the County's previous tenant protection policies. The following Section summarizes some of the key state and federal law issues and discusses some of the factors that explain the need for the Working Group to examine tenant protection policies.

Public policy regarding tenant protections generally attempts to address specific issues: (1) increasing stability for renter households; (2) promoting predictability in the rental market; and (3) regulating evictions, terminations, and rent increases. In contrast to homeowners' rights and responsibilities with respect to their homes (which are often defined by long term financing contracts for as many as forty years or outright ownership), tenants' rights and responsibilities relating to their homes are often defined by written leases with a property owner that last for one year and unwritten rental agreements that may last for one month. In an unregulated market, some

tenants may lack the housing stability enjoyed by homeowners and, as a result, may be required to look for housing more often than some homeowners.

Local tenant protections can offer specific measures to promote tenant stability and increase predictability in the residential rental market under such conditions. Some jurisdictions seek to accomplish these goals by regulating evictions and terminations (providing tenants with more definite rental terms, increasing stability) and regulating the amount and/or frequency of increases in rent (providing tenants with more predictable housing costs). Individually and combined, such regulations of the landlord-tenant relationship are often referred to colloquially as "rent control" or, more technically, "rent stabilization." In addition to rent stabilization, different tenant protection policies may address other aspects of the landlord-tenant relationship.

A. State and Federal Laws that Shape Tenant Protections Policies

Historically, some tenant protection policies like rent control were implemented in response to emergencies, such as the national scarcity caused by World Wars I and II. Modern rent stabilization policies are not predicated on a specific emergency, but rather they are implemented in response to specific market conditions, such as rising housing costs and increased incidences of homelessness. The Supreme Courts of California and of the United States have both upheld various forms of rent stabilization and regulations of the landlord-tenant relationship, so long as the regulations address a particular market condition that affects the public health, safety, or general welfare. Irrational or overly-burdensome regulations generally will not survive challenge in court.

1. Constitutional Constraints

The Due Process and Takings Clauses of the United States and California Constitutions require that local regulations reasonably relate to the furtherance of a legitimate governmental

purpose. Courts have concluded that addressing a housing shortage or combatting excessive rent increases are legitimate governmental purposes to regulate landlord-tenant relationships.

Another limitation is that local regulation may not prevent all economically beneficial uses of a private property without just compensation. When a regulation impacts the value of a private property, courts use a complex balancing test to evaluate whether the regulation is constitutional. The California Supreme Court has clarified that landowners who choose to rent their property in the residential rental market must be able to earn a fair return that will maintain financial integrity, attract necessary capital, and fairly compensate the landowner for the risks assumed despite local regulation of the landlord-tenant relationship.² To conform to case law standards, rent stabilization regulations should allow for rent increases that are broadly applicable to regulated properties, as well as a process to provide individual rent increases based on the particular circumstances of a specific property. Accordingly, California jurisdictions with rent stabilization policies generally allow for annual increases in rent that relate to inflation, and provide for a per-property application- or petition-based increase that requires administrative approval.

2. State Laws Regulating Landlords and Tenants

Article XI, Section 7 of the California Constitution provides that "A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws." While this gives the County the authority to adopt tenant protection policies that apply in unincorporated portions of the County, the County is limited in that it cannot create regulations that conflict with state law.

The Civil and Penal Codes prohibit various landlord actions, such as: threats or actual interruption of utility services; failure to maintain the property and perform necessary repairs;

² *Kavanau v. Santa Monica Rent Control Board* (1997) 16 Cal. 4th 761, 783.

abuses of a landlord's right to enter the property; removal of a tenants' property; interference with a tenants' quiet use and enjoyment of a property; and retaliation for lawful exercise of a tenants' rights. State and federal laws prohibits landlords from discriminating against tenants or potential tenants based on race, religion, sex, disability, sexuality, and other factors. The Code of Civil Procedure also provides a remedy for landlords when tenants act or fail to act in certain ways. Most notably, Code of Civil Procedure section 1161 provides for quick legal action if a tenant fails to pay rent, causes a legal nuisance on the property, or breaks an important term of a residential lease.

Two state laws further limit potential County tenant protection policies. The state Ellis Act requires that property owners be allowed to withdraw their properties from the residential rental market.³ In order to withdraw a rental property from the rental market, the landlord can legally terminate the tenancies related to that property. However, although the Ellis Act requires the County to allow landlords to go out of business, the law also permits the County to require a longer notice period to terminate a tenancy under the Ellis Act as compared to the Civil Code sections described above, and it also authorizes the County to require that landlords provide terminated tenants with relocation assistance and/or a right of first refusal if the property is returned to the rental market within ten years.

The Costa-Hawkins Rental Housing Act also limits the County's ability to regulate rent increases.⁴ First, the Costa-Hawkins Rental Housing Act requires vacancy decontrol for all units, which means that landlords must be allowed to set the initial rent for new tenancies (subject to very limited exceptions). The County may still regulate the frequency and amount of increases in rent for existing tenancies. Second, the Costa-Hawkins Rental Housing Act exempts specified

³ Gov. Code §§ 7060-7060.7.

⁴ Civil Code §§ 1954.50-1954.535

types of housing units from local rent stabilization, including single-family homes, most condominiums, and housing units built after February 1995. Notably, the Costa-Hawkins Rental Housing Act is the subject of a voter-initiative to repeal the law, which will appear on ballots statewide in November 2018.

B. Rental Market Conditions and Tenant Experiences

Los Angeles County is confronting a housing supply and affordability crisis, and the Board is considering a range of options to address these circumstances. On October 27, 2015, the Board adopted a motion to establish an Affordable Housing Budget Unit and develop a first-of-its-kind Affordable Housing Outcomes Report (Outcomes Report), revealing a shortage of over 550,000 rental homes that are considered affordable to renter households at, or below 50 percent of the Area Median Income (AMI).

As of 2015, an estimated 1,026,967 individuals live in approximately 291,000 housing units in unincorporated Los Angeles County. Approximately 40 percent of those housing units, an estimated 116,071 units, are for rent. Of all housing units in unincorporated Los Angeles County, approximately 20 percent are in multi-family buildings (including duplexes, triplexes, and larger buildings), and 86 percent of all units were built prior to 1989. The County Department of Regional Planning (Planning) calculated that approximately 51,590 housing units are in multi-family buildings (including duplexes, triples, and larger buildings) and are renter-occupied. Planning also estimates that 50,000 units are in multifamily buildings that were built prior to 1995. When considering tenant protection mechanisms, the County's efforts can apply to the approximately 116,000 rental units in unincorporated Los Angeles County, however, under the Costa-Hawkins Act, rent stabilization policies would only apply to the approximately 50,000 multifamily rental units built before 1995. Planning's calculations are shown on the figure titled

"Unincorporated Area Housing Stock: How many units are eligible for rent stabilization" included in Appendix B.

Los Angeles County's shortage of homes affordable and available to lower-income families continues to grow. Home prices in Los Angeles County have increased nearly 80 percent over the past five years, with average apartment rents increasing by over 25 percent, according to the real estate brokerage Redfin. The County's median household income has not increased proportionally over the same time period, as reported by the State's Department of Housing and Community Development. This and the above referenced indicators suggest that displacement, or the possibility of displacement may be an issue throughout much of the County.

Some renters in Los Angeles County are subject to difficult financial conditions. Approximately 77 percent of Los Angeles County renters are "rent burdened," which is defined by the U.S. Census Bureau as when a renter-household spends more than 30 percent of their household income on rent. Moreover, a recent report reviewed by the Working Group indicated that between 2014 and 2016, over 160,000 households in Los Angeles County faced an eviction in court.⁵ On average, Los Angeles County renters spend a greater percentage of household income on rent (30.4%) as compared to homeowners pay toward housing costs (25.1%).

Some tenants in unincorporated Los Angeles County face specific challenges. As shown on the table titled "Residential Housing Distribution, by Type and Tenure (2016)" included in Appendix B, Planning estimates that there are approximately 295,000 total occupied units in unincorporated areas of Los Angeles County, including mobilehomes. Of these units, Planning calculated that approximately 175,000 units are owner occupied and 120,000 units are renter occupied. As shown on the table titled "Selected Conditions of Housing, By Tenure (2016)"

⁵ See Inglis, Aimee and Dean Preston. *California Evictions are Fast and Frequent*. Tenants Together, May 2018, page 6.

included in Appendix B. Planning calculated that approximately 76,000 renter-occupied housing units (about 63 percent of the 120,000 renter-occupied housing units in unincorporated Los Angeles County) are subject to one or more of the following conditions: lack of complete plumbing facilities, lack of complete kitchen facilities, house more than one occupant per room (which is defined as "overcrowded" by the United States Department of Housing and Urban Development), or require more than 30 percent of household income for rent (which is defined as "rent burdened" by the United States Census Bureau). In contrast, Planning calculated that approximately 105,000 owner-occupied housing units (60 percent of the 175,000 owner-occupied housing units in unincorporated Los Angeles County) are free of such conditions, reinforcing the need for more rental housing and special protections for some rental housing.

III. PROCESS TO DEVELOP RECOMMENDATIONS

To determine what further action should be taken, the Board convened the Tenant Protections Working Group (Working Group) to provide recommendations to the Board on tenant protections that might be enacted for unincorporated areas, as well as additional actions to protect residential and commercial tenants countywide. In January 2018, the Working Group began an inclusive and transparent public process to engage in discussions and develop recommendations to address tenant protection issues in unincorporated Los Angeles County. Specifically, the Working Group's process involved:

- Nine regularly-attending Working Group members representing interests that include academia, advocates, real estate professionals, market-rate and affordable housing developers, landlords, housing lawyers, community organizers, renters, homeowners, business owners, and non-profit board members.

- Thirteen public meetings from January to August representing approximately 30 hours at which Los Angeles County departments, universities, City of LA staff, nonprofit organizations, business organizations, tenants and landlords and many others provided testimony, data and information.
- An outside facilitator to manage timing, move agendas and ensure that everyone was able to participate during each Working Group meeting.
- Substantive and comprehensive presentations were made at each Working Group meeting by Goldfarb & Lipman LLP, acting as special counsel to the County on tenant protection policy matters.
- Recorded meetings and notes transcribed and distributed to Working Group members as well as being posted on a public website.
- Formal translation provided by Alex Rivero from Translations for All at each meeting beginning in March 2018.

The Working Group's process was enhanced by the many members of the public and the non-profit and business organizations representing the various unincorporated communities of Los Angeles County who were diligent about attending the Working Group meetings and sharing their perspectives during the Public Comment portion of each meeting. Comments from individual tenants addressed hardships some households face following rent increases and evictions, along with habitability issues for themselves and their families. The Working Group also heard from landlords and apartment owners who expressed concern regarding the effect of regulation and their ability to continue to maintain the residential housing stock while earning a fair return on their property.

At its June 13, 2018 meeting, the Working Group extended public comment to include one hour of formal and coordinated presentations by landlord and tenant groups, followed by questions from the Working Group. The landlord presentation was coordinated by:

- Los Angeles Coalition for Responsible Housing Solutions – 22 small property owners, apartment associations, realtors, commercial property managers and business associations; and
- Building Industry Association of Los Angeles/Ventura.

The tenant presentation was coordinated by:

- LA Center for Community Law & Action, Strategic Actions for a Just Economy (SAJE), Inner City Law Center, Alliance of Californians for Community Empowerment (ACCE), Eastside LEADS, Anti-Eviction Mapping Project, LA Tenants Union, Public Counsel and supported by Liberty Hill.

At each Working Group meeting, time was reserved for public comment, and the Working Group received constituent correspondence in the form of letters and emails that were distributed at each Working Group meeting. Organizations and individuals who addressed the Working Group are listed below:

- Beatriz Alatorre
- Logan Altman
- Tyler Anderson, Los Angeles Center for Community Law and Action (LACCLA)
- Anthony Alvarez, InnerCity Struggle
- Dagan Bayliss, SAJE
- Greg Bonett, Public Counsel
- Diane Carlton, Los Angeles Coalition for Responsible Housing Solutions
- Ariana Carmona
- Irma Cervantes
- Diane Coronado, Building Industry Association
- Maribel Cuevas, SAJE
- Cherell Chappell, Landlord
- Vicenta Contreras, SAJE

- Diana Coronado, Building Industry Association Los Angeles/Ventura
- Elizabeth deCarteret, LA Coalition for Responsible Housing Solutions
- Jenny Delwood, Liberty Hill Foundation
- John DeVoe
- Joe Donlin, SAJE
- Blanca Duenas, Eastside LEADS
- Danielle Elliott, AAGLA
- Blanca Espinoza
- Rosa Espinoza, LACCLA
- Janet Gagnon, Apartment Association of Greater Los Angeles
- Jennifer Ganata, Inner City Law Center
- Noah Grynberg, LACCLA
- Ruth Hayles, Minority Apartment Owners Association
- Rocenia Hermengildo, SAJE
- Ted Karnezis, Property Owner
- Beverly Kenworthy, LA Coalition for Responsible Housing Solutions
- David Kissinger, South Bay Association of Realtors
- Maria Leon, Eastside LEADS
- James Litz, Beverly Hills/Greater LA Association of Realtors
- Hayk Makhmuryan, Glendale Tenants Union
- Liliana Martinez
- Katie McKeon, Public Counsel
- Yolanda Medina, SAJE
- Juana Mena
- Israel Mendez, SAJE
- Michael Millman, ACTION
- Daniel Murillo, AQP Property Management
- Kyle Nelson, UCLA Sociology
- Allan Nguyen, UCLA Luskin School
- Jose Nunez, SAJE
- Alicia Ortiz, InnerCity Struggle
- Vanessa Perez, LACCLA
- Elena Popp, Eviction Defense Network
- Dianne Prado, National Lawyers Guild Housing Committee
- Carolina Rodriguez, LACCLA
- Laura Rodriguez
- Nayeli Rojas, LACCLA
- Fevi Sanchez, ELACC
- Beatriz Salazar
- Ariadna Sandaval, LACCLA
- Walt Senterfitt, LA Tenants Union
- Mayra Simins
- Greg Spiegel, Inner City Law Center
- Fred Sutton, California Apartment Association

- Daniel Tenenbaum, Housing Authority of City of LA/CA Apartment Association
- Melissa Uribe, ELACC
- Aimee Williams, Inner City Law Center
- Jerard Wright, BizFed
- Ruth Zepeda

All official agendas, notes and other materials presented to the Working Group were distributed at meetings and made available for public review.

In addition to the substantial public process discussed above, the Working Group reviewed best practices and relevant recommendations and policies used in other jurisdictions throughout California to assess what could be learned and applied in Los Angeles County. The Working Group received and reviewed dozens of documents specific to Los Angeles County, including data related to the unincorporated areas of the County, regional planning maps, planning area frameworks, charts and graphs citing housing quality, housing type and demographics, real estate market studies, academic studies, national and regional reports on homelessness/housing, Economic Roundtable Study of the Rent Stabilization Ordinance (RSO) and LA Housing Market, applicable State Law and many others.

The Working Group's recommendations, which are presented in the following section, were informed by the information they reviewed and comments received throughout the process.

IV. WORKING GROUP'S RECOMMENDATIONS

The Working Group focused their recommendations on four key policy areas:

- A. Regulating Rent Increases;
- B. Regulating Evictions;
- C. Additional Laws, Regulations, and Assistance Programs; and
- D. Implementation Mechanisms.

As discussed in more detail below, the Working Group recommends that the County enact a rent stabilization program that would limit the maximum allowable rent increase that could be made effective each year for covered rental units in unincorporated Los Angeles County. The Working Group further recommends that the County enact "Just Cause" eviction regulations that would limit residential evictions to terminations required by state law, owners moving in to a rental unit, and owners withdrawing a building with rental units from the rental market. To compliment these two new programs, the Working Group recommends that the County develop and expand programs to address potential harassment, discrimination, housing conditions and habitability, and provide financial assistance for some tenants in unincorporated areas. Finally, the Working Group recommends that the County appoint an oversight board to administer the recommended programs funded by annual fees assessed to covered rental units in unincorporated Los Angeles County with the goal of each new program being revenue-neutral to the County's general fund.

In addition to these overarching recommendations, the Working Group discussed that outreach and education for both tenants and landlords would be critical components of any successful new program. The Working Group recommends that the County develop a significant outreach program in connection with any new programs that are enacted so that all parties have the opportunity to learn about their rights and responsibilities with respect to rental housing.

Although the Working Group believes that the recommendations presented in this Report will provide value to some tenants, the Working Group also recognizes that these recommendations focus on protections for those who are already housed. Rent stabilization, eviction regulations, and other associated tenant protection policies can be very effective at preventing homelessness by keeping lower-income individuals and families housed. However, such policies do not reduce housing costs, increase housing supply, or replace other housing

policies and, as such, these recommendations are only one part of what should be a comprehensive approach to address the housing crisis in Los Angeles County and throughout California. The Working Group encourages the County to consider other strategies to address housing availability and affordability in addition to the tenant protection policies that were the Working Group's focus. Specifically, members of the Working Group identified streamlined residential project approvals and upzoning residential properties in connection with a form of community benefits zoning as examples of public efforts that could contribute to increasing the supply of housing.

The remainder of this Section IV discusses the Working Group's recommendations in the four key policy areas in more detail.

A. Regulate Rent Increases

Currently, rental units in unincorporated areas of Los Angeles County are not subject to local regulation. Unregulated rent increases permit landlords to increase rents to any amount, limited only by the notice requirements included in Civil Code section 827. In a housing market where demand outstrips supply, unregulated market forces can inspire some landlords to rapidly increase rent or notice multiple rent increases in a single year. Tenants and tenant advocacy groups report that some tenants are currently subject to excessive and/or frequent rent increases, sometimes exceeding tenants' ability to afford their current homes. Under such conditions, a lack of stability and predictability in the rental market can make it difficult for some tenants to budget for rent while balancing other expenses, such as food, utilities, and transportation. Regulating the amount and frequency of rent increases can promote stability and predictability for tenants.

As noted above, rent stabilization protects existing tenants from future rapid rent increases, but it does not reduce the cost of housing or increase the supply of available rental units.

There is concern that excessive regulation of rents can have unintended consequences, including reduced availability of rental units and deferred property maintenance. Accordingly,

any rent stabilization program must balance tenant protections with the needs of property owners, including protection of the opportunity for a property owner to earn a fair return from his or her property and to have adequate economic incentive to maintain the property.

Overall Recommendation: Regulate Rent Increases

The Working Group recommends that the County adopt rent stabilization for applicable tenants in unincorporated Los Angeles County, to the maximum extent permitted by state law.

If the November ballot proposition repealing the Costa-Hawkins Act, which limits local rent stabilization policies, passes, the Working Group recommends that the Board reconvene the Working Group to address potential modifications to its rent stabilization recommendations.

1. Specific Recommendations: Regulate Rent Increases

As noted above, the majority of the Working Group recommends that the County regulate rents of applicable residential rental units in unincorporated Los Angeles County to the extent legally permissible (Covered Rental Units). The Working Group further recommends that certain rental units be excluded from the definition of Covered Rental Units, and that the exemptions should roughly mirror the exemptions included in Section 151.02 of the City of Los Angeles Municipal Code --- including exemptions for hotels, hospitals and other care facilities, school dormitories, and units with recorded regulatory agreements limiting rent --- or other units required to be exempt by State law. A specific list of exemptions from Covered Rental Units is included as Appendix A to this Report.⁶

⁶ Although the entire Working Group discussed exemptions from Covered Units, the specific list included as Appendix A was only voted on at the August 8, 2018 Working Group meeting, where it was approved by a vote of eight (8) in favor, none opposed, no abstentions, and two (2) absent.

a. *Rent Increases for Covered Rental Units*

The Working Group recommends that the County limit rent increases for Covered Rental Units to a single increase per 12-month period, regardless of the lease terms, with a petition process (discussed in more detail below) for landlords and tenants to seek additional adjustments. A majority of the Working Group recommends that the annual pre-approved rent increase for Covered Rental Units should equal the increase in the previous year of the Los Angeles Area Consumer Price Index, Los Angeles and Orange Counties, Series ID CUURS49ASA0, (CPI), with two limitations. First, regardless of the CPI, the maximum pre-approved annual rent increase for Covered Rental Units is recommended to equal eight percent (8%). Second, a majority of the Working Group recommends that the minimum pre-approved annual rent increase shall equal three percent (3%) or the CPI change plus two percent (2%), whichever is lower; however, in either case the minimum pre-approved annual rent increase would never be less than zero. In practice, if the annual change in CPI were one-half percent (0.5%), then the minimum pre-approved annual rent increase would equal 2.5%. If the annual change in CPI were negative three percent (-3%) or lower, then the pre-approved annual rent increase would be zero; the approved recommendation would not require a rent reduction based on the change in CPI.

Although there was majority support from the Working Group for minimum and maximum pre-approved rent adjustments (i.e., a floor and a ceiling), some Working Group members preferred that the floor and ceiling be higher to allow larger annual rent increases; other Working Group members would have preferred no floor and a lower ceiling to further restrict rent increases.

b. *Banking Unused Rent Increases*

A majority of the Working Group opposed the concept of "banking," which is the practice of permitting a landlord that does not increase rent by the maximum amount allowed by the annual pre-approved increase to impose the difference between the maximum amount allowed by the

annual pre-approved increase and the actual rent increase in a future year. The Working Group recommends that the County prohibit banking, because a majority of Working Group members were concerned that banking rent increases could lead to a large spike in a tenant's future rent that could eventually lead to displacement. A minority of Working Groups members argued that by permitting banking, a landlord would have less economic incentive to increase rent by the maximum amount permitted each year.

c. *Landlord and Tenant Petitions and Mediation*

To ensure that landlords maintain the opportunity to earn a fair return on their property, the Working Group recommends a petition process that would allow landlords to seek rent increases in addition to any pre-approved annual rent increases and any banked rent increases. In the event that a landlord successfully petitions for an increase that would exceed ten percent (10%) of a tenant's rent, the Working Group recommends that the annual rent increase be capped at ten percent (10%), and additional increases be amortized over a period of years. The Working Group recommends that fair-return petitions be determined based on an investment or equity- based calculation, but the Working Group did not have majority support for a specific formula that the County should use to evaluate fair return petitions.

To make sure that the rent stabilization program does not create a disincentive for some property owners to invest in upgrades to their property, the Working Group recommends that the petition process could also be used by landlords to request the ability to pass-through all or a portion of certain capital improvements (such as roofing, carpeting, air conditioning, security gates, fencing, equipment permanently installed on the premises, or other similar improvements with a useful life of five (5) years or more) to tenants in addition to rent increases. Any approved capital improvement pass-through would be able to be charged in addition to permissible rent increases, but the cost would be required to be amortized based on a schedule approximating the

useful life of the capital improvement. Once the scheduled capital improvement payments are complete, the tenant would no longer be responsible for the additional payments. A landlord's capital improvement petition would not be permitted to include the cost of any improvements made to correct code violations. Similarly, debt service or costs associated with financing or refinancing of a rental unit or building would not qualify for an adjustment. The Working Group discussed a desire to limit the annual capital improvement pass through that would be permitted, and recommends that the County investigate an appropriate amount that is at least as high as the pass-through permitted under the City of Los Angeles' program but less than 10% of a tenant's annual rent.

The Working Group recommends that tenants be permitted to file a petition if they felt that rent or other costs were being increased in violation of the County's rent stabilization program or to seek a reduction in rent because of a reduction in housing services connected with the use or occupancy of the rental unit, such as parking, elevators, recreational facilities, utilities, waste removal, laundry, furnishings, and other similar services or facilities.

In addition, the Working Group recommends that the County provide a voluntary, non-binding mediation process and venue for landlord-tenant disputes regarding rent increases, provided that such a procedure does not create additional costs for tenants, and which would be available to tenants in covered rental units and tenants in exempt dwelling units. In particular, the Working Group recommends encouraging tenants in units that are exempt from the recommended Rent Stabilization policies to take advantage of mediation services for rent increases that are higher than the maximum allowable rent increase recommended for Covered Rental Units. This process could provide an alternative dispute resolution process that helps landlords and tenants discuss potential rent increases before they become effective.

d. Effective Date of Rent Increases

Consistent with the requirements of the California Civil Code, a majority of the Working Group recommends that the County require a landlord to provide a tenant with notice of the rent increase at least 30 days in advance of the increase's effective date for a rent increase of ten percent (10%) or less. The Working Group further recommends that no rent increase may be applied to any unit vacated through a "no-fault" eviction and that no rent increase may be applied while a habitability complaint remains unresolved, similar to the provisions included in the City of Los Angeles Municipal Code section 151.06. Members of the Working Group suggested a 60 day advance timing and stated their concern about how long it would take for a tenant to find a new residence in the current market, but did not recommend this as a requirement because it would be preempted by California Civil Code section 827. As discussed above in connection with the Working Group's recommendations regarding landlord and tenant petitions, the Working Group recommends that no rent increases above 10 percent be permitted; accordingly, the 60-day notice requirement in California Civil Code section 827 for rent increase above 10 percent would not be applicable.

e. Rent Registration

The Working Group recommends that all rental units subject to rent stabilization be registered with a County oversight body. Although some Working Group members were concerned that registration would be costly and create an administrative burden for some landlords and the County, the majority of the Working Group agreed that a rent registry was an important oversight tool that would help the County oversee the effect of the recommended rent stabilization policy, provide an enforcement mechanism, and offer an additional tool to assist both landlords and tenants obtain accurate information about a given rental unit.

The Working Group further recommends that landlord and tenants be required to register the rent at the beginning of each new tenancy. For existing tenancies in place at the time the program commences, the base rent would be set to a date immediately prior to the regulation of rent increases. In addition to the base rent, the Working Group agreed that the rent registry should reflect what housing services are provided in connection with the rent (e.g., parking, laundry, storage utilities, etc.). In addition, the rent registry should also be updated to reflect no-fault evictions and habitability complaints.

The Working Group also discussed whether the registry should track the maximum-allowable rent for each Covered Rental Unit and if the County should annually update the database to reflect the maximum pre-approved annual rent increase. A minority of Working Group members were concerned that this process involved too much government oversight, and expressed a preference for simply publishing the percent change permitted on an annual basis and letting tenants and landlords enforce the rent regulation through petitions to an administrative board or potentially via the courts, with the option of petitioning to a County oversight board if procedures are not followed.

The Working Group also discussed, but did not agree, whether and to what extent the information the County collects via the rent registry should be made publically available. Those Working Group members in favor of creating a website to publish the information in the rent registry in an easily-accessible manner thought that it would help with enforcement and provide critical information to landlord and tenants, i.e., making all parties aware what is the maximum permitted rent for a unit. Those Working Group members opposed to publishing rents were concerned that making the data publically available could compromise the privacy of landlords and tenants. A compromise position of requiring the County to track all rents but only making

them available to landlords and tenants of an individual unit was briefly discussed. The Working Group made an analogy to the property tax system, whereby a private personal identification number is required to access actual property tax owed as one strategy to preserve confidentiality while providing access, but no recommendation with support from a majority of the Working Group was reached.

f. *Interplay with the Costa-Hawkins Act*

As discussed above, the Costa-Hawkins Act currently limits local agencies' ability to enforce rent stabilization policies. Rent stabilization restrictions may only be applied to buildings for which a certificate of occupancy was issued prior to February 1, 1995 and that are not alienable separate from the title to any other dwelling unit. In addition, the Costa-Hawkins Act requires "vacancy decontrol," which means that a landlord is permitted to set the initial rent at the commencement of a new tenancy, with only limited exceptions. Currently, a statewide ballot initiative to repeal the Costa-Hawkins Act has qualified for the November 2018 election. If it were to pass, the ballot measure would change the scope of permissible rent stabilization regulations.

A majority of the Working Group agreed that should the Costa-Hawkins Act be repealed, the County should extend rent stabilization to units that are currently exempt and enforce vacancy control, however, the Working Group could not agree on specific parameters for including new units. A minority of Working Group members felt strongly that new units should permanently remain exempt from regulation out of concern that the fear of regulation would discourage investment in new development. The majority of members who supported additional regulation agreed that after twenty years, a newly-constructed building should be rolled in to the rent stabilization program, noting that, in their view, this should allow ample time to recover initial investments as to not discourage new development. The Working Group also discussed that the

County should consider a vacancy control program that would allow landlords to increase rent by no more than ten percent (10%) following the end of one tenancy and the start of another one.

Because it is not known if the measure to repeal the Costa-Hawkins Act will pass, the Working Group agreed to spend their time focused on other more definite policy recommendations. Accordingly, the Working Group recommends that should the Costa-Hawkins Act be repealed, the Board should reconvene the Working Group to make final recommendations regarding the County's regulatory response.

2. Vote Summary: Regulate Rent Increases

By a vote of seven (7) in favor, two (2) opposed, and (1) abstention⁷, the Working Group recommended that the County adopt rent stabilization for applicable tenants in unincorporated Los Angeles County, to the maximum extent permitted by state law.

By a vote of seven (7) in favor, one (1) opposed, and two (2) abstentions, the Working Group approved the recommendation to limit rent increases for Covered Rental Units to one increase per twelve months limited to the percentage change in CPI from one year to the next, with a ceiling of eight percent (8%) and a floor of the lesser of three percent (3%) or the CPI change year over year plus two percent (2%). One of the Working Group members who abstained from the vote expressed support for rent stabilization but elected to abstain, because the recommended minimum pre-approved rent increase was lower than three percent (3%), as described above.

By a vote of six (6) in favor, three (3) opposed, and one (1) abstention, the Working Group recommends prohibiting banking unused rent increases.

⁷ One of the Working Group members was unable to attend sufficient meetings to have a basis to form a substantive position and chose to abstain from voting. Accordingly, the majority of vote tallies in this Report include at least one abstention.

By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group approved the recommendation to develop a petition process to allow landlords to request rent increases above the maximum annual pre-approved rent if the landlord is not earning a fair return on his or her property. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group approved the recommendation to develop a petition process to allow landlords to petition to pass through certain capital improvement expenses. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group approved the recommendation to develop a petition process to allow tenants to petition for a rent decrease following an unauthorized increase or a reduction in specified housing services. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group approved the recommendation to provide a voluntary mediation process for landlords and tenants.

By a vote of six (6) in favor, three (3) opposed, and one (1) abstention, the Working Group recommends that all Covered Rental Units be registered with a County oversight body. The Working Group recommended that the registry track the maximum allowable rent for each Covered Rental Unit, and that landlords and tenants would be required to register the rent at the beginning of each new tenancy.

By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group recommends that the Board reconvene the Working Group for further discussions and recommendations should the Costa-Hawkins Act be repealed.

B. Regulate Evictions

State law generally does not limit the reasons for which a tenancy may be terminated. State law provides that a tenancy may be terminated without explanation or reason, so long as minimum notice requirements are followed. State law also defines the process (unlawful detainer) to evict a household from a rental unit after the tenancy has terminated.

Tenants and tenant advocacy groups report that some tenants are currently subject to terminations of tenancy without explanation and only the minimum notice periods. Under such conditions, the lack of explanation for terminations and short notice period can create instability and unpredictability for some tenants in the rental market. Following an eviction, some tenants may not be able to find suitable replacement housing or afford moving costs while balancing other expenses, such as food, utilities, and transportation. Regulating the reasons for which a tenancy may be terminated will increase stability and predictability of the rental market generally, and provide greater security for tenants. Moreover, regulating the allowable reasons to terminate a tenancy is also a necessary policy to support the rent stabilization policies. Without eviction regulation or vacancy control, some landlords could evade rent increase restrictions simply by evicting a tenant and resetting the rent upon the creation of a new tenancy.

Although regulating the reasons to terminate a tenancy protects some existing tenants from potentially unreasonable terminations and supports rent stabilization policies, eviction regulations do not reduce the cost of housing or increase the supply of available rental units. Therefore, the Working Group's recommendations in this area are just one component of an approach to addressing the housing crisis.

Overall Recommendation: Regulate Evictions

The working group reached agreement with respect to the adoption of "Just Cause" eviction requirements. A majority of the Working Group recommends that Just Cause restrictions on evictions should apply for all tenants in unincorporated Los Angeles County, regardless of unit type, ownership type, and any other rent stabilization or additional tenant protections to supplement the provisions of California State law that provide for eviction under a set of circumstances already defined by state law.

1. *Specific Recommendations: Regulate Evictions*

The majority of the Working Group recommends that every notice of termination of a residential tenancy in unincorporated Los Angeles County be required to expressly identify at least one reason for which the tenancy is being terminated. The Working Group recommends that the County enact an ordinance prohibiting a landlord from evicting a residential tenant unless one or more specific, authorized conditions exist that would allow for termination (Just Cause for Eviction). Any proposed termination of tenancy that does not identify one or more valid reasons to terminate the tenancy would be invalid and unenforceable.

a. *Applicability*

The Working Group recommends that Just Cause for Eviction protections, as defined below, apply to all residential rental units in unincorporated Los Angeles County, including single-family homes, accessory dwelling units, and rental units in multi-family buildings, regardless of any other tenant protection and/or rent stabilization policies that the County may adopt. In other words, the policy would apply more broadly than the Covered Rental Units as defined for purposes of the Working Group's rent stabilization policy recommendation (the Costa-Hawkins Act prevents the County from applying rent stabilization to certain types of rental units but does not impact local Just Cause for Eviction policies). Even those Working Group members who did not support all of the Working Group's rent stabilization policy recommendations agreed that Just Cause for Eviction protections are a reasonable way to protect tenants without unduly burdening landlords.

b. *Just Causes for Eviction, i.e., Approved Reasons to Terminate a Tenancy*

The Working Group recommends that the Just Cause for Eviction policy identify two categories of acceptable reasons to terminate a tenancy: "For Cause" terminations which are based

on the conduct of tenant household, and "No Fault" terminations which are based on the conduct or anticipated conduct of the landlord, regardless of a tenant's actions or conduct.

The Working Group recommends that "For Cause" terminations be defined as the reasons to terminate a tenancy that are defined in California Code of Civil Procedures section 1161 subsections (2) through (4). For reference purposes, subsection (2) gives landlords the right to evict tenants for the non-payment of rent; subsection (3) gives landlords the right to evict tenants for breach of material lease terms; and subsection (4) gives landlords the right to evict tenants who cause or permit a nuisance or use the residence for an unlawful purpose. The Working Group further recommends that the County develop a local definition of material lease terms and identify which "de minimis breaches" of a lease would be excluded from the material lease term definition for purposes of evaluating compliance with subsection (3) of California Code of Civil Procedures section 1161.

A majority of the Working Group recommends that the County permit two additional "No Fault" reasons for terminating a tenancy: owner move-ins and the state law requirement allowing a landlord to permanently withdraw a property from the rental market. Specifically, the Working Group recommends that a landlord be permitted terminate a tenancy if the owner seeks in good faith to recover possession of the rental unit for use and occupancy as a primary place of residence by the owner or the owner's spouse, children, grandchildren, parents, or grandparents (Owner Move-In). In addition, as required by Government Code sections 7060-7060.7 (the Ellis Act), the Working Group recommends that a landlord be permitted to terminate a tenancy to withdraw property from the rental market. In both instances, the Working Group recommends that the landlord be required to pay relocation assistance and provide tenants with a right of first return to the rental unit in the event that the terms of the No Fault eviction are not followed, subject to

certain exceptions. Recommended relocation benefits, the right of return, and applicable exceptions are discussed in more detail below.

c. *Additional Eviction Limitations*

To the extent permitted by law, the Working Group further recommends that landlords not be permitted to use any eviction procedure based solely on a change of ownership because of sale or foreclosure. In addition, the Working Group agrees that landlords should be prohibited from pursuing a No-Fault termination of tenancy during the academic school year when the rental unit is the primary residence of a school-aged (K-12) child enrolled in a school within the public school district to which the rental unit is assigned.

d. *Enhanced Noticing Requirements*

In addition to regulating the reasons to terminate a tenancy, the Working Group recommends that the County expand upon the requirements that apply to any notice of termination. Specifically, the Working Group recommends that any termination notice also include information related to the County's Just Cause for Eviction policies and a summary of tenants' rights. In addition, it is recommended that each notice include the obligation to identify the cause for termination and a summary of termination and eviction proceedings, plus information about how and where the tenant may obtain legal services. The Working Group recommends that the County require that all notices be provided to tenants in English and the tenant's primary language, if other than English. To avoid placing a cost burden on landlords, the Working Group discussed the need for County-prepared standard forms that include required notice information and that can be translated in advance into multiple languages. Finally, the Working Group recommends that the County require that all termination notices sent to tenants be copied to the County, which could be monitored using the rent registry recommended in connection with the Working Group's rent stabilization recommendations discussed above.

e. *Relocation Assistance and Right of Return for No Fault Terminations*

A majority of the Working Group agreed that when a landlord terminates a tenancy based on one of the No-Fault conditions described above, the landlord should be required to provide financial assistance to the terminated tenant household and offer the tenant household the ability to return to the rental unit if the circumstances around the eviction change (e.g., if an owner moves into a unit but stays less than 24 months, the tenant would be offered a right of return; similarly, if an owner withdraws a building from the rental market but later decides to re-lease the rental units, the tenant would be offered a right of return). However, the Working Group recommends that no relocation assistance or right of return be required for an Owner Move-In for a rental unit that is not a Covered Rental Unit for purposes of the recommended rent stabilization program. A majority of the Working Group supported these policies in order to reduce the impact associated with finding new housing some tenants face following an eviction that was not caused by the tenant's own conduct.

The Working Group recommends that relocation assistance should equal the relocation assistance required by the City of Los Angeles, with reduced payment obligations for smaller landlords consistent with the City's practice. The Working Group recommends that relocation assistance should be made available regardless of the type of tenancy and regardless of coverage under any regulation of rent increases, except that no relocation assistance shall be required for an Owner Move-In for a rental unit that is not a Covered Rental Unit for purposes of the recommended rent stabilization program.

The Working Group recommends that the County require landlords to offer a first right of return to all tenants subject to a No-Fault termination, to the full extent permitted under the Ellis Act, except that no first right of return shall be required for an Owner Move-In for a rental unit that is not a Covered Rental Unit for purposes of the recommended rent stabilization program.

Specifically, this means that for five years following the termination of a tenancy, the landlord would be required to offer an evicted tenant a right of first return to the rental unit at the original rental price, plus any increases allowed under the County's rent stabilization policy. Then, for the next five years (ten years following the termination of a tenancy total), the landlord would be required to offer an evicted tenant a right of first return to the rental unit at a rent that is negotiated between the landlord and the tenant. In addition, tenants would have the right to seek punitive damages against a landlord following an eviction under the Ellis Act if the landlord returns the unit to the rental market within two years following the eviction.

2. Vote Summary: Regulate Evictions

By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group approved the recommendation to apply Just Cause for Eviction protections, as defined above, to all residential rental units in unincorporated Los Angeles County. By the same vote count, the Working Group approved the recommendations regarding "For Cause" terminations and "No Fault" terminations.

By a vote of seven (7) in favor, two (2) opposed, and one (1) abstention, the Working Group approved the recommendation regarding additional eviction limitations following a change in ownership, or during the academic school year for households with school age children. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group approved a recommendation requiring enhanced notice requiring any notice of termination of tenancy to include information related to the County's Just Cause for Eviction policies and tenants' rights information in English and the tenant's primary language.

By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group approved the recommendation to require a landlord to provide relocation assistance to a tenant household in a No Fault eviction, except for an Owner Move-In for a rental unit that is not a

Covered Rental Unit for purposes of the recommended rent stabilization program. By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group approved the recommendation to require landlords to offer a first right of return to all tenants subject to No-Fault termination to the full extent permitted under the Ellis Act, except for an Owner Move-In for a rental unit that is not a Covered Rental Unit for purposes of the recommended rent stabilization program.

C. Additional Laws, Regulations and Assistance Programs

In addition to unregulated rent increases and evictions, some tenants are concerned with harassment, discrimination, housing conditions and habitability. Moreover, not all tenants have the resources to contest evictions, so even unwarranted evictions can result in a tenant being displaced.

Overall Recommendation: Additional Laws, Regulations and Assistance Programs

The Working Group recommends specific programs to address potential harassment, discrimination, housing conditions and habitability, and assistance for tenants.

1. Specific Recommendations: Additional Laws, Regulations, and Assistance Programs

a. Habitability

The Working Group recommends that the County implement a complaint-based inspection program, a rent escrow account program, a tenant habitability program, and engage in systemic code enforcement practices modeled after the City of Los Angeles' programs. In addition, the Working Group recommends that in the event that a landlord must perform substantial rehabilitation of a rental unit to address code violations or habitability issues that would require the unit to be uninhabitable, relocation benefits and a right to return to the unit should be required. For substantial rehabilitation that would require the rental unit to be uninhabitable for a period of

60 days or less, temporary relocation benefits for short-term accommodations should be required. For longer rehabilitation projects, relocation benefits are recommended to equal those in the Just Cause for Eviction policy recommendations discussed above. In both cases, the Working Group recommends that the displaced tenant be given a first right of return for the rental unit at the previous rent, plus any adjustments authorized under the Rent Stabilization policy recommendations.

b. *Anti-Harassment, Anti-Discrimination Section*

The Working Group recommends that the County adopt an ordinance that would prohibit landlords from refusing to rent to a tenant solely on the basis of being a Section 8 voucher holder, or solely because of a tenant's participation in other similar federal, state or local rent assistance programs.

c. *Eviction Defense and Emergency Rent Subsidy*

Earlier in 2018, San Francisco voters approved a "right to counsel" law that would provide tenants facing an eviction with access to legal services, and the City of Los Angeles is currently exploring a similar program. The Working Group recommends that the Board direct County staff to analyze a right to counsel law for unincorporated areas of Los Angeles County, including a study of prospective costs and funding sources. Depending on the result of the study, the Working Group recommends that the County consider adopting a right to counsel ordinance to help ensure that tenants have access to legal information and representation when faced with issues related to rental housing, including alleged harassment, rental agreement disputes, and eviction suits.

The Working Group also recommends that the County should explore expanding existing funding mechanisms to support financial assistance and/or emergency rent relief programs as a tenant protection mechanism. Short-term loans, grants, or other forms of financial assistance can help some tenants avoid missing rent payments and can help low-income households avoid

displacement and prevent homelessness. The recommendation would also require further study, including a fiscal analysis, to determine how to fund such programs on an ongoing basis.

2. Vote Summary: Additional Laws, Regulations and Assistance Programs

By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group approved the recommendation to implement a complaint-based inspection program, a rent escrow account program, a tenant habitability program, and engage in systemic code enforcement practices, each modeled after the City of Los Angeles' programs. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group approved the recommendation to adopt an ordinance that would prohibit landlords from refusing to rent to a tenant solely on the basis of being a Section 8 voucher holder, or solely because of the tenant's participation in other similar federal, state or local rent assistance programs.

D. Implementation Mechanisms

The implementation and ongoing oversight of the Working Group's recommendations will require County staff and administrative resources. Specifically, to administer the tenant protection programs recommended by the Working Group, a new oversight board will be required. Both the oversight board and other recommended administrative tasks will require a dedicated funding source.

Overall Recommendation: Implementation Mechanisms

The Working Group recommends that the cost of ongoing oversight and enforcement be shared by tenants and landlords. The tenant protection policies are recommended to be cost neutral to the County general fund. In addition, the Working Group recommends that any new policies be accompanied by a significant outreach and education program.

1. *Specific Recommendations*

a. *Oversight Board*

The Working Group recommends that the Board appoint an oversight board to hear and rule on landlord and tenant petitions, which are discussed in more detail above in connection with the Working Group's recommendations on Rent Stabilization policies. The Working Group further recommends that the oversight board include tenants, tenants' rights advocates, landlords, and other appropriate stakeholders.

b. *Administration Fees*

The majority of the Working Group recommends that the County assess an annual fee to landlords for each Covered Rental Unit in unincorporated Los Angeles County that is sufficient to cover program operations. The Working Group further recommends that up to fifty percent (50%) of the fee be allowed to be passed through to tenants, in addition to rent owed. Finally, the Working Group recommends that a separate fee schedule be developed to petition the oversight board for rent adjustments.

c. *Education and Outreach*

Lastly, the Working Group reiterated the importance of an outreach program to educate both landlords and tenants with critical information that is needed to maintain quality of life for both groups of stakeholders. As discussed above, the Working Group recommends that the County develop a significant outreach program in connection with any new programs that are enacted so that all parties have the opportunity to learn about their rights and responsibilities with respect to rental housing. New measures should be accompanied by a County-operated website that provides a repository for information about rental housing programs available for tenants and landlords through the County, the state, the federal government, or other service providers. In addition to focused outreach and education efforts to publicize any new programs, the Working Group

recommends that the County offer technical assistance to landlords and tenants on an ongoing basis to help members of both groups comply with the County's requirements, which could be funded in part by the recommended registration fees. The Working Group further recommends that all outreach efforts be conducted in multiple languages with translation services available to ensure that events are inclusive and effectively reach different segments of the County's population.

2. Vote Summary: Implementation Mechanisms

By a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group approved the recommendation for the Board to appoint an oversight board. By a vote of eight (8) in favor, one (1) opposed, and one (1) abstention, the Working Group approved the recommendation to assess an annual fee to landlords for program administration and to permit up to fifty percent (50%) of the fee to be passed through to tenants. Finally, by a vote of nine (9) in favor, none opposed, and one (1) abstention, the Working Group approved the recommendation to develop a dedicated outreach program to educate landlords and tenants about their rights and responsibilities.

V. NEXT STEPS

The Board's May 16, 2017 Motion included direction to convene the Tenant Protections Working Group to provide policy recommendations that would: (a) protect residential and commercial tenants Countywide, (b) propose an implementation framework for the policy recommendations, (c) help craft a comprehensive Los Angeles County Tenancy Report and Dashboard focused on the state of residential and commercial tenancies throughout Los Angeles County, (d) identify any legislative positions that support the County's ability to protect residents

and commercial establishments, and (e) engage cities within the County to potentially coordinate efforts to develop and administer tenant protection policies.

As detailed above, the Working Group focused its efforts to provide policy recommendations to protect residential tenants and proposing an implementation framework. Specifically, the Working Group recommends that the Board adopt tenant protection measures in four key policy areas, including: a rent stabilization program that would place a cap on annual rent increases landlords could impose on tenants in covered rental units; "just cause" for eviction protections that regulate terminations of tenancy and evictions; additional protections to address habitability of units, anti-harassment and anti-discrimination policies, exploration of eviction defense assistance, and emergency rent subsidies; and implementation measures including an oversight board, a fee structure that creates a cost-neutral program for the County, and a comprehensive education and outreach program to landlords and tenants.

In addition, the Working Group reviewed ongoing efforts to address tenant protections at the state level, with the majority of the discussion focused on Proposition 10, which would repeal the Costa-Hawkins Act. Should Proposition 10 be adopted by the voters in November, the Working Group requests that the Board reconvene the Working Group for further discussion and recommendations as to a regulatory response. Throughout its process, the Working Group reviewed current and historical efforts to implement tenant protections and rent stabilization at the local level in California. In particular, the Working Group discussed how to coordinate County tenant protection measures with programs that are effective in the City of Los Angeles (City). Representatives from the City presented aspects of the City's program to the Working Group at one of its meetings, and City representatives were regular meeting attendees.

The Board can choose to adopt the entire package of recommended tenant protection measures by amending the County's Code of Ordinances, or by taking the matter to a public vote at the next regularly scheduled election. Alternatively, the Board can choose to adopt any or each of the recommended tenant protection measures individually in the same way. Finally, the Board could select components of the recommended tenant protection measures to adopt directly, while placing other components of the policy recommendations before the voters. To place any of the tenant protection measures on the ballot, the Board would direct County Counsel to draft the ballot measure for Board consideration, and then the Board would take action to place the item on the ballot. In connection with implementation of any of the recommended tenant protection measures, the Board will also need to determine which department, commission, or related entity will be responsible for the administration of any new or expanded programs.

To ensure timely reporting back to the Board, the Working Group focused its efforts on residential tenant protections; it did not emphasize policies to support commercial tenants. The Working Group understands that following its report to the Board, the County CEO will be working with other County departments to develop a County tenancy dashboard. However, these priorities, as well as identification of additional legislative positions and continued opportunities to collaborate with other local jurisdictions, are important policy issues that may be worthy of additional exploration and discussion. Just as the Working Group requested that it be reconvened to provide further recommendations if the Costa-Hawkins Act is repealed, the Board may wish to: continue to study policy options that support commercial tenants; collaborate with the County CEO's effort to develop a residential tenancy dashboard; identify additional opportunities to support state and Federal legislation to protect tenants; and continue to cultivate partnerships with cities throughout the County to promote a regional approach to tenant protections.

VI. CONCLUSION

The Working Group recognizes the importance of tenant protections as a matter of public policy in the County of Los Angeles and its unincorporated areas. It is our hope that this summary report will prove informative and help guide future policy actions of the County Board of Supervisors. The Working Group thanks each of the Supervisors for initiating this effort and committing the County to an open and public process.

APPENDICES

Appendix A
Covered Rental Units and Exemptions

As noted in the body of this Report, the majority of the Working Group recommends that the County regulate rents of applicable residential rental units in unincorporated Los Angeles County to the extent legally permissible (Covered Rental Units). The Working Group further recommends that certain rental units be excluded from the definition of Covered Rental Units. In addition to units exempted under State law, rental units that are recommended to be exempt from rent stabilization roughly mirror the exceptions included in Section 151.02 of the City of Los Angeles Municipal Code, as modified below.

The Working Group also recognized that whether accessory dwelling units (sometimes called "granny flats") should be exempt raised important policy considerations. Because the County is currently studying accessory dwelling units in connection with its overall affordable housing strategy, the Working Group agreed to defer to recommendations from that process related to potential regulations of accessory dwelling units.

Covered Rental Units shall not include:

1. Housing accommodations in hotels, motels, inns, tourist homes and boarding and rooming houses, provided that at such time as an accommodation has been occupied as the primary residence of one or more of the same tenants for any period more than 30 days such accommodation shall become a rental unit subject to the provisions of this chapter. The computation of the 30 days shall include days in which the tenant was required to:
 - a. move into a different guestroom or efficiency unit before the expiration of 30 days occupancy; or
 - b. check out and re-register before the expiration of 30 days occupancy if a purpose was to avoid application of this chapter.

Evidence that an occupant was required to check out and re-register shall create a rebuttable presumption, which shall affect solely the burden of producing evidence, that the housing accommodation is a rental unit subject to the provisions of this chapter.

This exemption is not intended to apply to traditional residential hotels.

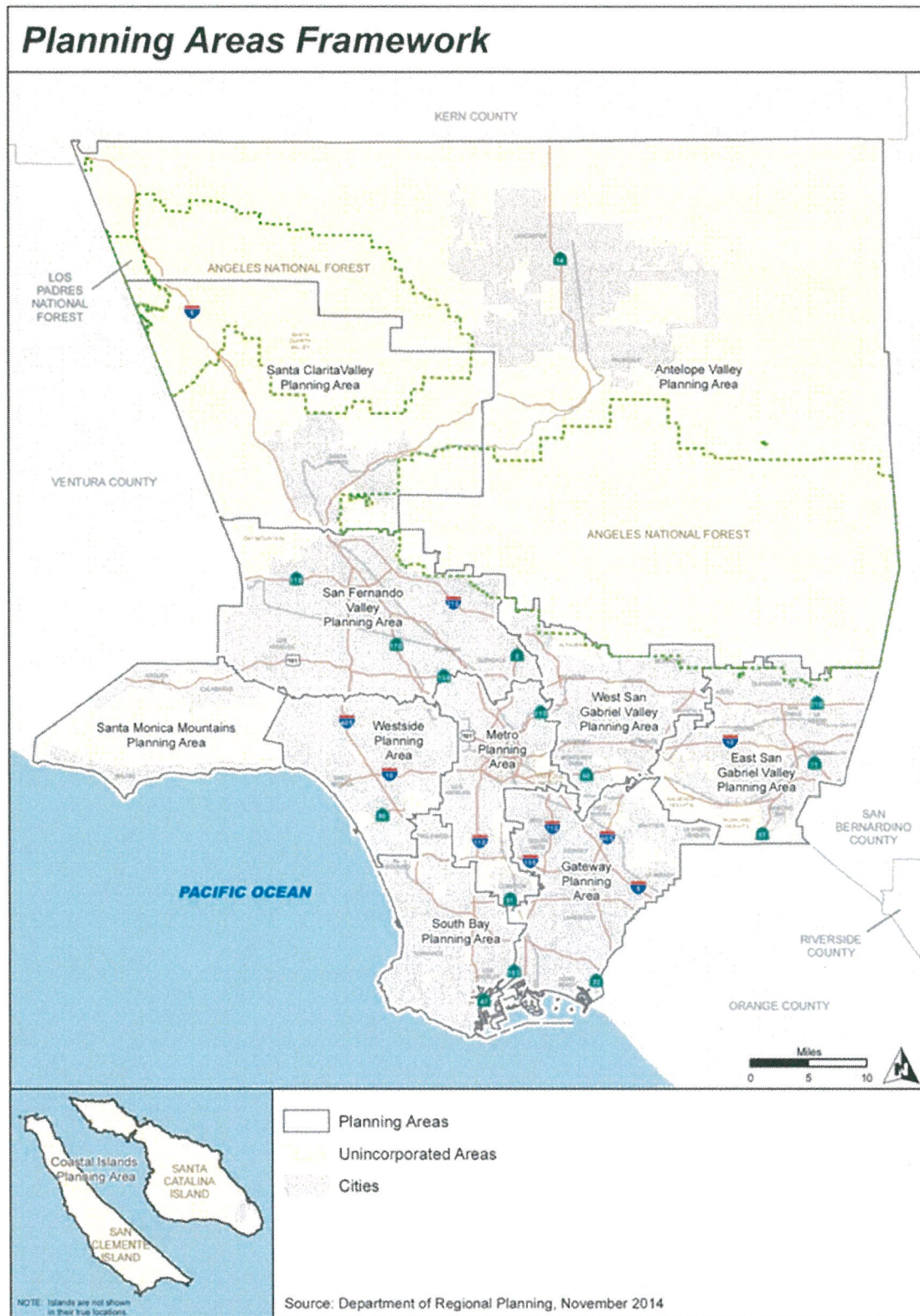
2. A dwelling unit in a nonprofit stock cooperative while occupied by a shareholder tenant of the nonprofit stock cooperative.
3. Housing accommodations in any hospital; state licensed community care facility; convent; monastery; extended medical care facility; asylum; fraternity or sorority house; or housing accommodations owned, operated or managed by an institution of higher education, a high school, or an elementary school for occupancy by its students.
4. Housing accommodations owned and operated by a government unit, agency or authority and which are specifically exempted from municipal rent regulation by state or federal law or administrative regulation, or housing accommodations specifically exempted from municipal rent regulation by state or federal law or administrative regulation. This exception shall not apply once the government ownership, operation, management, regulation or rental assistance is discontinued.
5. Affordable Housing Accommodations are housing accommodations with a government imposed regulatory agreement that has been recorded with the Los Angeles County

Recorder, or which shall be recorded within six months, guaranteeing that the subject housing accommodations will be affordable to either lower income or very low income households for a period of at least 55 years, with units affordable only to households with an income at 60 percent of the Area Medium Income or less. None of the subject housing accommodations shall be affordable only to households with incomes greater than 60 percent of the Area Medium Income, as these terms are defined by the U.S. Department of Housing and Urban Development. "Lower Income or very low income households" is defined in accordance with California Health and Safety Code Sections 50079.5 and 50105.

This exemption shall apply only to housing accommodations which satisfy the following conditions:

- i. the subject housing accommodations are only available to lower income or very low income households with none of the subject accommodations affordable only to households with income greater than 60% of Area Median Income;
 - ii. rent levels conform to the amounts set by the U.S. Department of Housing and Urban Development, or the California Department of Housing and Community Development, as applicable, based on the public funding source for the subject accommodations (however, annual rent increases shall be regulated as Covered Rental Units for any tenancies established prior to the recording of the government imposed regulatory agreement where the tenant household has not received relocation assistance as set forth in subsection "v" below);
 - iii. actions to recover possession of housing accommodations from a tenant shall be limited to the grounds set forth in the recommended Just Cause policies;
 - iv. the landlord shall comply with the provisions of any applicable tenant habitability program;
 - v. relocation assistance shall be provided to an eligible tenant household based on the applicable provisions of the Uniform Relocation Act or the California Relocation Assistance Act; or the amount recommended by the Working Group to the extent adopted by the County, whichever is greater.
6. To the extent not otherwise regulated by the County, recreational vehicles which are not occupied by a tenant who has continuously resided in the park for nine or more months. This exception shall not apply to a lot or space which becomes vacant as a result of the park operator's terminating the tenancy on grounds other than those specified in the recommended Just Cause policies.
7. Housing accommodations in limited equity housing cooperatives, as defined in Civil Code Sections 817 and 817.1, when occupied by a member tenant of the limited equity housing cooperative. However, if the cooperative acquired the property pursuant to Government Code Section 54237(d), then all dwellings in the limited-equity housing cooperative shall be exempt.
8. To the extent not otherwise regulated by the County and otherwise permitted by law, non-owner occupied coaches in any mobilehome park.

Appendix B
Excerpts from Data Compiled regarding Unincorporated Los Angeles County



Unincorporated Area – Housing Types and Housing Quality

Residential Housing Distribution, by Type and Tenure (2016)

Unincorporated Area			Total Occupied		Owner Occupied		Renter Occupied	
Property Type	Units	% Total	Units	% total by type	Units	% total by type	Units	% total by type
1-unit detached	211,814	72%	157,108	89%	54,705	46%		
1-unit attached	18,824	6%	8,350	5%	10,481	9%		
2 apartments	6,282	2%	705	0%	5,577	5%		
3 or 4 apartments	11,161	4%	1,289	1%	9,872	8%		
5 to 9 apartments	9,844	3%	932	1%	8,910	7%		
10 or more apartments	29,226	10%	1,995	1%	27,231	23%		
Mobile Home/Other type	8,142	3%	5,780	3%	2,367	2%		
Total Housing Units	295,315	100%	176,154	60%	119,161	40%		

Los Angeles County			Total Occupied		Owner Occupied		Renter Occupied	
Property Type	Units	% Total	Units	% total by type	Units	% total by type	Units	% total by type
1-unit detached	1,639,192	50%	1,232,577	82%	406,629	23%		
1-unit attached	211,785	6%	98,207	7%	113,579	6%		
2 apartments	81,814	2%	11,936	1%	69,845	4%		
3 or 4 apartments	184,489	6%	17,614	1%	166,855	9%		
5 to 9 apartments	256,969	8%	20,122	1%	236,842	13%		
10 or more apartments	856,569	26%	83,935	6%	772,668	43%		
Mobile Home/Other type	51,037	2%	35,178	2%	15,854	1%		
Total Housing Units	3,281,845	100%	1,499,576	46%	1,782,269	54%		

Source: Department of Regional Planning GIS Section; ACS 5-year 2016 data for selected variables from PHYSICAL HOUSING CHARACTERISTICS FOR OCCUPIED HOUSING UNITS. *Due to combining data sets, rounding shows slightly different total number.

Selected Conditions of Housing, By Tenure (2016)

Unincorporated Area			Total Occupied		Owner Occupied		Renter Occupied	
# of Selected Conditions	Units	% Total	Units	% total by type	Units	% total by type	Units	% total by type
With one selected condition	126,851	43%	66,117	38%	60,734	51%		
With two selected conditions	19,797	7%	4,580	3%	15,218	13%		
With three selected conditions	427	0%	93	0%	334	0%		
With four selected conditions	17	0%	5	0%	11	0%		
No selected conditions	148,223	50%	105,359	60%	42,864	36%		
Total Housing Units	295,315	100%	176,154	60%	119,161	40%		

Los Angeles County			Total Occupied		Owner Occupied		Renter Occupied	
# of Selected Conditions	Units	% Total	Units	% total by type	Units	% total by type	Units	% total by type
With one selected condition	1,474,190	45%	568,553	38%	905,637	51%		
With two selected conditions	233,792	7%	33,421	2%	200,371	11%		
With three selected conditions	8,065	0%	947	0%	7,118	0%		
With four selected conditions	666	0%	62	0%	604	0%		
No selected conditions	1,565,132	48%	896,593	60%	668,539	38%		
Total Housing Units	3,281,845	100%	1,499,576	46%	1,782,269	54%		

Source: Department of Regional Planning GIS Section; ESRI, ACS 5-year 2016 data for selected variables from TENURE BY SELECTED PHYSICAL AND FINANCIAL CONDITIONS. *Due to combining data sets, rounding shows slightly different total number.

Selected Conditions

- 1) lacking complete plumbing facilities
- 2) lacking complete kitchen facilities
- 3) with 1.01 more occupants per room
- 4) selected monthly owner costs as a percentage of household income greater than 30 percent
- 5) gross rent as a percentage of household income greater than 30 percent

Unincorporated Area – Statistical Data

Demographics

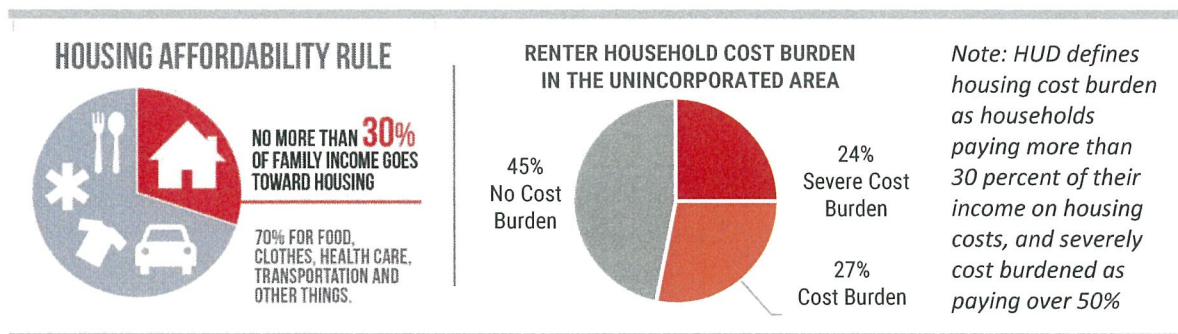
Statistical Data	Unincorporated Area	LA County
Population ¹	1,026,967	10,038,388
Median Age (Years) ²	34.2	36.4
Hispanic or Latino ²	57.6%	48.7%
White ²	19.3%	26.3%
Black or African American ²	8.4%	8.0%
Asian ²	12.5%	14.1%
Other ²	2.2%	2.9%
Households ¹	290,854	3,263,069
Average Household Size ²	3.5	3.0
Households with Person with Disability ¹	25%	22%
Households with Children under 18 years of age ¹	42%	35%
Below Poverty Level ¹	17%	18%
Bachelor's Degree or Higher ¹	23%	30%
Median Household Income ²	\$62,571	\$55,239
2015-2016 Median Home Sales Price Change ²	6.9%	7.0%
Median Home Value ²	\$545,000	\$520,000
K-12 Public School Student Enrollment ²	140,799	1,471,103

¹Source: 2015 American Community Survey (ACS), 5-Year Estimates, Department of Regional Planning;

²2016 American Community Survey (ACS), from 2016 Statistical Summary, Southern California Council of Governments.

Renter Cost Burden

Median asking rent: \$2,400/month; Renters need to earn 4 times the minimum wage to afford median asking rents.

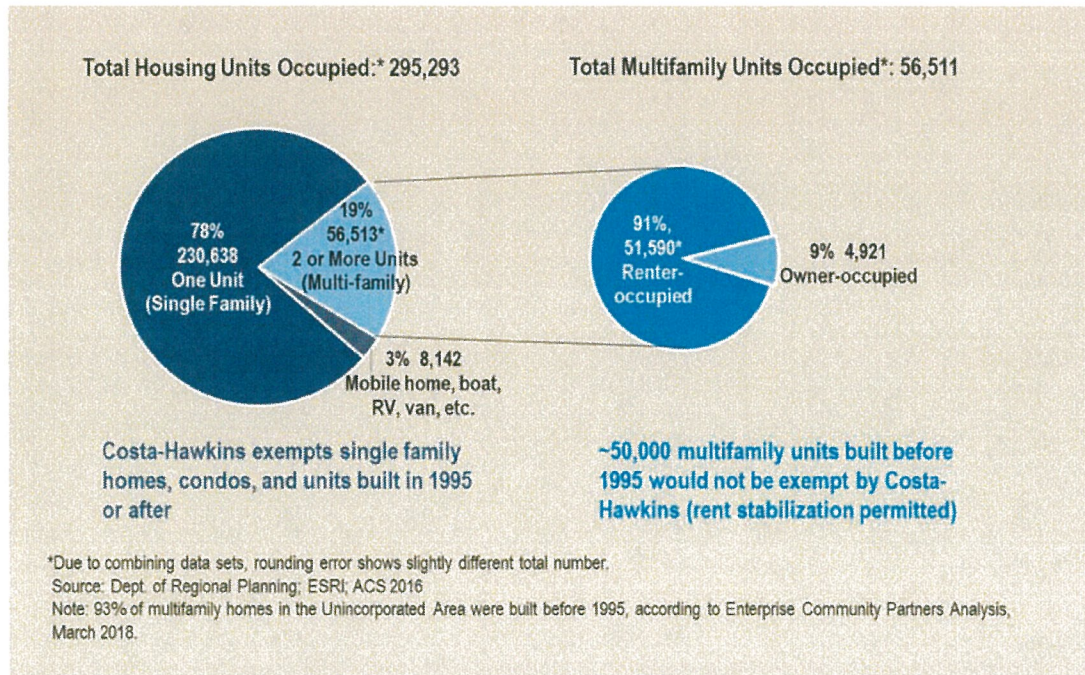


Source: 2010-2014 Consolidated Planning/Comprehensive Housing Affordability Strategy (CHAS) Data; Due to rounding, total percentage does not equal 100%.

Unincorporated Area Housing Stock

How many units are eligible for rent stabilization in the Unincorporated Area?

- **Unincorporated population:** 1,051,989 (10% of the entire LA County population; 2016)
- **Total occupied housing units*:** 295,315 = Owner 176,154 (60%) + Renter 119,161 (40%) (2016)
- **Vacant housing units:** 19,335 or 6% (2015)



Where are multifamily units in the Unincorporated Area?

According to the Enterprise Community Partners/USC Report, Understanding Multifamily Buildings in Unincorporated Los Angeles County, March 2018. *Source: ACS, LAC GIS system.*

Largest number of multifamily units located in these areas (51% of total in the Unincorporated Area)

Unincorporated Area	SMMF (2-49 units)	LMF (50+ units)	Total
East Los Angeles	7,889	759	8,648
Athens-Westmont	5,134	134	5,268
Florence-Firestone	4,286	-	4,286
Rowland Heights	763	2,296	3,059
South Whittier	1,687	929	2,616
Lennox	1,771	313	2,084
Total in Selected Area	21,530	4,431	25,961
Total Unincorporated Area	36,054	15,229	51,283
% of Total Unincorporated Area	60%	30%	51%

Note: 93% of multifamily homes in the Unincorporated Area were built before 1995, according to Enterprise Community Partners Analysis, March 2018.

Appendix B: Excerpts from Data Compiled regarding Unincorporated Los Angeles County

Unincorporated Areas in Los Angeles County

LIST, WITH PRELIMINARY DISPLACEMENT DESIGNATION, OF LOS ANGELES COUNTY UNINCORPORATED AREAS

DISPLACEMENT COLOR CODES

EVIDENT DISPLACEMENT (5)

POTENTIAL DISPLACEMENT (13)

DISPLACEMENT NOT EVIDENT (12)

Unincorporated Area	Total Rental Units	Median Household Income		Average Rent per Month		Median Sales Value		Percent Renter		Unit Growth (Owner and Renter-Occupied)		Affordable Units ⁽¹⁾
		No. (2015)	Pct. Change (2000-2015)	No. (Q2 2017)	Pct. Change (Q2 '12-Q2 '17)	No. (Q2 2017)	Pct. Change (Q2 '12-Q2 '17)	Pct. (2015)	Pct. Change (2000-2015)	No. (2000-2015)	Pct. Change (2000-2015)	No. (2017)
Altadena	4,419	\$86,050	42%	\$1,240	17%	\$784,000	72%	28%	8%	+640	4%	22
Athens (or West Athens)	8,590	\$34,430	17%	\$990	19%	\$499,000	99%	66%	5%	+1,025	9%	528
Castaic	1,106	\$104,427	104%	\$1,100	27%	\$598,000	66%	19%	-54%	+4,930	525%	150
Charter Oak (Islands)	1,457	\$61,620	21%	\$1,570	23%	\$542,000	61%	36%	3%	-164	-5%	64
Del Aire	714	\$74,573	35%	\$2,360	24%	\$598,000	84%	31%	51%	+395	14%	0
East Los Angeles	20,430	\$38,766	36%	\$1,140	20%	\$430,000	90%	66%	5%	+1,556	5%	923
East Pasadena	709	\$76,523	43%	\$1,370	26%	\$823,000	46%	36%	27%	-27	-1%	0
East Rancho Dominguez	1,590	\$44,127	35%	\$760	1%	\$385,000	103%	49%	6%	+591	21%	75
East San Gabriel ⁽²⁾	2,179	\$65,833	28%	\$1,380	23%	\$824,000	52%	42%	-8%	+1	0%	0
East Whittier	732	\$69,066	38%	\$1,390	28%	\$505,000	68%	36%	-16%	+1,701	104%	89
El Camino Village/Alondra Park	1,377	\$56,631	43%	\$1,130	23%	\$474,000	64%	48%	-6%	-445	-16%	0
Florence/Firestone/Graham	9,176	\$33,934	33%	\$850	11%	\$344,000	105%	66%	6%	+1,019	8%	58
Hacienda Heights	3,535	\$78,039	31%	\$1,520	25%	\$570,000	61%	23%	12%	+27	0%	0
La Crescenta	2,710	\$85,458	42%	\$1,560	23%	\$702,000	72%	34%	-2%	+6	0%	62
Ladera Heights	710	\$102,281	13%	\$2,100	23%	\$786,000	98%	27%	13%	+218	8%	0
Lennox	3,886	\$36,424	29%	\$1,350	64%	\$471,000	76%	72%	1%	+304	6%	23
Los Nietos/West Whittier	2,469	\$65,363	42%	\$1,280	23%	\$451,000	66%	28%	6%	+177	3%	49
Marina del Rey ⁽³⁾	4,907	\$100,195	46%	\$3,100	22%	\$898,000	53%	95%	3%	-166	-3%	117
Quartz Hill	1,067	\$54,245	10%	\$1,200	42%	\$321,000	84%	30%	13%	+183	5%	40
Rowland Heights	4,878	\$59,534	14%	\$1,430	17%	\$678,000	50%	33%	-3%	+442	3%	144
San Pasqual	397	\$87,708	8%	\$1,590	21%	\$823,000	46%	40%	-4%	-30	-3%	0
South Whittier	5,573	\$62,592	32%	\$1,280	22%	\$486,000	64%	36%	2%	+480	3%	112
Stevenson Ranch	1,993	\$119,394	37%	\$2,000	34%	\$694,000	37%	29%	74%	+2,296	60%	0
View Park/Windsor Park	1,306	\$82,718	38%	\$1,280	17%	\$743,000	106%	30%	25%	+212	5%	0
Walnut Park	1,745	\$42,400	18%	\$810	15%	\$389,000	82%	48%	5%	+71	2%	0
West Carson	1,952	\$64,613	32%	\$2,020	71%	\$434,000	73%	27%	8%	-44	-1%	0
West Chatsworth ⁽⁴⁾	237	\$68,000	-7%	\$1,720	23%	\$569,000	64%	34%	79%	-23	-3%	0
West Puente Valley	594	\$64,726	30%	\$1,250	21%	\$420,000	76%	22%	23%	+328	7%	89
West Rancho Dominguez/Victoria	91	\$47,881	17%	\$1,150	12%	\$399,000	93%	35%	-8%	+5,465 ⁽⁵⁾	870%	278
Willowbrook	4,100	\$36,481	31%	\$1,090	15%	\$335,000	108%	62%	29%	-3,700 ⁽⁵⁾	-44%	424
Comparison: Los Angeles County	1,830,650	\$56,196	33%	\$1,660	26%	\$574,000	79%	54%	4%	+129,295	4%	N/A
Comparison: Selected Area Average / Total	93,339	\$61,860	34%	\$1,300	22%	\$569,000	76%	44%	3%	+17,547	9%	3,247

(1) Includes LIHTC Units and Public Housing Units

(2) The data on housing growth for West Rancho Dominguez/Victoria and Willowbrook from 2000-2015 appear to be outliers. The consultants have not been able to confirm that these figures are accurate.

(3) Total Rental Units, Percent Renter, and Unit Growth data for East San Gabriel is from the ACS 2013-2015 5-year Estimate, as housing unit data for this area is not available on LocatelaCounty.

(4) Total Rental Units data for Marina del Rey is from the ACS 2013-2015 5-year Estimate, rather than ACS/LocatelaCounty.

(5) Total Rental Units, Median Household Income, Percent Renter, and Unit Growth for West Chatsworth only reflect data for 2010-2015, as that area was part of a larger Census tract prior to 2010; data for this area is not available on LocatelaCounty.

Sources: American Community Survey; Applied Geographic Solutions/LocatelaCounty (a newly created County sponsored database); CoStar; Los Angeles County Community Development Commission; U.S. Census; Redfin; Zillow.

8/20/17

1